Enclosure 1

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MEMORANDUM FOR: R. F. Warnick, Director, Office of Special Cases

U. Potapovs, Chief, Vendor Program Branch, Division of Vendor and Technical Programs

SUBJECT:

FROM:

ALLEGATIONS CONCERNING GEOTECHNICAL DRAWING CONTROL AT BECHTEL ANN ARBOR (VITS NO. 83-166)

Per request in your memo dated May 11, 1983, we conducted an inspection of Bechtel-Ann Arbor on September 26-30, 1983, copy attached. The allegations concerning drawing control by the Geotechnical Services Group were substantiated but appear to relate only to nonsafety applications. Bechtel QA management has initiated a special inspection of this group's activities. Further details may be found in Section E of the attached report. We are closing this item but will follow Bechtel's actions concerning this matter during future inspections.

Please advise us if we can provide further information concerning this matter.

Uldis Potapovs, Chief

Vendor Program Branch

cc: J. T. Collins R. L. Bangart T. F. Westerman

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Eechtel Power Corporation Ann Arbor Power Division ATTN: Mr. H. W. Wahl Vice President & General Manager P. O. Box 1000 Ann Arbor, MI 48106

Gentlemen:

Second Contractor and

This refers to the inspection conducted by Mr. D. G. Breaux of this office of your facility at Ann Arbor, Michigan, on September 26-29, 1983, and to the discussions of our findings with Mr. W. D. Greenwell and members of your staff at the conclusion of the inspection.

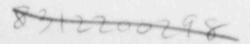
Included in this inspection were: (1) 10 CFR Part 50.55(e) report to Region III office that auxiliary feedwater system design does not provide for operation for 2 hours following station blackout as required by FSAR; and (2) NRC Region III request concerning allegations of drawing control problems in the geotechnical group relative to the Midland Project.

Areas examined during the inspection and our findings are discussed in the enclosed report. Within these areas, the inspection consisted of an examination of procedures and representative records, interviews with personnel, and observations by the inspector.

During this inspection it was found that you failed to meet certain NRC requirements. The specific findings and references to the pertinent requirements are identified in the enclosures to this letter.

Please provide us within 30 days from the date of this letter a written statement containing: (1) a description of steps that have been or will be taken to correct these items; (2) a description of steps that have been or will be taken to prevent currence; and (3) the dates your corrective actions and preventive measures ... e or will be completed. Consideration may be given to extending your response time for good cause shown.

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The response requested by this letter is not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If this report contains any information that you believe to be exempt from disclosure under 10 CFR 9.5(a)(4), it is necessary that you (a) notify this office by telephone within 10 days from the date of this letter of your intention to file a request for withholding; and (b) submit within 25 days from the date of this letter a written application to this office to withhold such information. If your receipt of this letter has been delayed such that less. than\_7 days are available for your review, please notify this office promptly so that a new due date may be established. Consistent with Section 2.790(b)(1), any such application must be accompanied by an affidavit executed by the owner of the information which identifies the document or part sought to be withheld, and which contains a full statement of the reasons on the basis which it is claimed that the information should be withheld from public disclosure. Inis section further requires the statement to address with specificity the considerations listed in 10 CFR 2.790(b)(4). The information sought to be withheld shall be incorporated as far as possible into a separate part of the affidavit. If we do not hear from you in this regard within the specified periods noted above, the report will be placed in the Public Document Room.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you:

Sincerely, Original Signed By: - Uldis Potapova Uldis Potapovs, Chief Vendor Program Branch

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Enclosures:
1. Appendix A - Notice of Nonconformance
2. Appendix B - Inspection Report No. \$9900501/83-03
3. Appendix C - Inspection Data Sheets (7 pages)

bcc: RA:RIV DDV&TP DDRRP&EP Enforcement Officer MIS Section (JPerry) VPB Branch Chief VPB Section Chiefs VPB Inspector DMB-IE:09 Ann Arian Tover Division Docket No. 99900501/83-03

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## NOTICE OF NONCONFORMANCE

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Based on the results of an NRC inspection conducted on September 26-20, 1983, it appears that certain of your activities were not conducted in accordance with NRC requirements as indicated below:

Criterion V of Appendix B to 10 CFR Part 50 states: "Activities affecting quality shall be prescribed by documented instructions, procedures, or drawings, of a type appropriate to the circumstances and shall be accomplished in accordance with these instructions, procedures, or drawings. Instructions, procedures, or drawings shall include appropriate quantitative or qualitative acceptance criteria for determining that important activities have been satisfactorily accomplished."

Bechtel Topical Report BQ-TOP-1, Revision 1A, requires that steps taken to implement an effective corrective action system include: 1) determination of the cause and identification of the corrective action to be taken by the responsible organization 2) final verification by the Project Quality Assurance Engineer that corrective action has been taken and review by Quality Assurance Management for implication or effect on other work.

Contrary to the above, actions taken by Bechtel to assure no implication or effect on other work lacked effectiveness, in that almost a year after Management Corrective Action Requests 57 and 58 were closed and determined to be an isolated deficiency, a subsequent review of the same system uncovered a similar design deficiency.

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CHERTIC ALL STRUCTURE CONTRACTORS 111000 JESH CHIES 1131411100 NO.: 9950054 - 25-05 -DATE(S) 5/26+30/E3H ON-SITE HOURS: 46 CORRESPONDENCE /.UDRESS: Bechtel Power Corporation Ann Arbor Power Division ATTN: Mr. W. H. Wahl Vice President and General Manager F. O. Box 1000 Ann Arbor, MI 48106 ORGANIZATIONAL CONTACT: Mr. W. D. Greenwell, QA Manager TELEPHONE NUMBER: (313)994-7223 PRINCIPAL PRODUCT: Architect engineering services. NUCLEAR INDUSTRY ACTIVITY: The total effort committed to domestic nuclear activities is approximately 67 percent of the 2300 person staff at the Bechtel Ann Arbor Power Division (AAPD). The division currently provides the principal architect engineering services for two domestic units, Midland 1 and 2, and has modification/repair/service contracts on 11 additional reactor units. ASSIGNED INSPECTOR: 19. Breand 11/8/83 D. G. Breaux, Reactor Systems Section (RSS) OTHER INSPECTOR(S): C. J. Hale, RSS APPROVED BY: INSPECTION BASES AND SCOPE: BASES: Topical Report No. BQ-TOP-1 and 10 CFR Part 50, Appendix B. Α. SCOPE: Status of previous inspection findings, procurement document Β. control, 10 CFR Part 50.55(e) report by the licensee (Midland 1 and 2) to the NRC Region III office that the auxiliary feedwater system design does not provide for operation for 2 hours following station blackout as required by FSAR; and a request from NRC Region III concerning allegations of drawing control problems in the geotechnical group relative to the Midland project. PLANT SITE APPLICABILITY: 50-329 and 50-330. 312206313

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A. VIOLATIONS:

None

B. NONCONFORMANCES:

Contrary to Criterion V of 10 CFR Part 50, Appendix B and Bechtel Topical Report, actions taken by Bechtel in their Management Corrective Action Request (MCAR) lacked effectiveness in assuring no implication or effect on other work was involved.

C. UNRESOLVED ITEMS:

None

# D. STATUS OF PREVIOUS INSPECTION FINDINGS:

- (Open) Nonconformance (83-01): Documented instructions and procedures and their implementation did not assure implementation of the requirements of Criterion VII of 10 CFR Part 50, Appendix B, "Control of Purchased Material, Equipment, and Services." The inspector initiated the review of the extensive corrective actions and preventive measures outlined in Bechtel's letter of response dated May 25, 1983. This effort will be completed during the next NRC inspection.
- (Closed) Nonconformance (83-02): Project Engineering Procedure was not revised in the time required to implement changes to Engineering Design Procedure Instructions and Management Engineering Directives.

The inspector verified the committed corrective and preventive measures had been taken by Bechtel AAPD to assure this will not generate a problem in the future. The inspector also reviewed the Bechtel procedure manuals and found no other examples of this failure to incorporate revisions.

 (Closed) Nonconformance (83-03): The Mechanical Design Group Interface Coordination Log contained examples where comment confirmation and resolution blocks 8 and 9 were not completed as required.

The inspector verified the committed corrective action and preventive measures had been taken by Bechtel. Bechtel reviewed the civil structural and nuclear design disciplines interface coordination logs. The result of this review revealed there were examples where these logs were not completed. The design routing slips, which are documentation of comment confirmation, were located for the incompleted

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log entrys. All review routing slips were noted as containing no comments by the reviewing organization. The log entries had been completed and the inspector verified action taken by the design disciplines involved to emphasize timely log coordinator review to assure entries are complete.

## E. OTHER FINDINGS OR COMMENTS:

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 Auxiliary Feedwater System Operability During Station Blackout -A 10 CFR Part 50.55(e) report dated June 22, 1983, was submitted to NRC Region III by Consumers Power Company concerning the design provision for operation of the auxiliary feedwater system for 2 hours following station blackout as required by the Midland project FSAR.

During an independent design review conducted by Tera Corporation, contracted by Consumers Power, it was revealed that the Feed Only Good Generator (FOGG) interlock relays were powered from Class 1E AC power supplies that were not DC backed, and, therefore, are lost during station blackout. The deenergizing of the FOGG relays will cause the Auxiliary Feedwater Turbine steam admission valves to shut, cutting off the steam supply to the turbine. This condition would result in loss-of-feedwater to the steam generators and the inability to safely cool down the reactor coolant system during a station blackout.

This concern resulted in Bechtel issuing an MCAR in order to assess the magnitude of the concern and initiate corrective and preventive measures. Actions taken by Bechtel to correct this concern included:

- a. Revision of schematic diagrams and associated connection and panel drawings to provide the FOGG interlock relay circuit with Class 1E DC backed 120 V AC power.
- b. Engineering review of all safety-related systems to assure that interlocks for valves and prime movers requiring Class IE DC backed power are supplied from the appropriate power supplies in accordance with the FSAR and system requirements.
- c. Instructions to engineers preparing schematic diagrams to include in their checklist verification that appropriate power supplies are used in accordance with FSAR and system design requirements.

The NRC inspector reviewed all corrective and preventive measures taken by Bechtel in regard to this concern and found them to be satisfactorily completed. However, in reviewing previous MCARs CREATIZATION: ELCHTEL FRALE

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generated by Bechtel concerning design deficiencies, the NRC inspector noted some similar problems. On March 9, 1982, Consumers Power Corporation notified NRC Region III that during a licensee test group review of the Midland project auxiliary feedwater system, it was discovered that the power supplies for the auxiliary feedwater level control valves were not operated by Class 1E DC backed 120 V AC power as required by the FSAR. Corrective action taken by project engineering was to verify that all commitments to feed components or systems from any Class 1E DC backed 120 V AC power were met.

The inspector also noted that on April 14, 1982, Consumers Power notified NRC Region III that the existing Bechtel design of the auxiliary feedwater system (AFW) pump turbine steam admission valve interlock system would block steam from both steam generators to the AFW turbine and prevent operation of the AFW system. Corrective action taken by engineering was to review all Class IE schematics against logic diagrams associated with the AFW. Approximately 100 out of 600 drawings of Class IE schematics were reviewed with no further deficiencies.

Both of these reported items concerned the AFW design and actions taken by Engineering to assure adequacy of the overall AFW design. Both of these concerns were determined by Bechtel to be isolated, yet nearly a year later an independent design review organization, Tera Corporation (contracted by the licensee) identified another concern with AFW design. These examples raise the question of effectiveness of action taken by Bechtel Engineering to review a design and assure no other similar deficiencies exist. There is also the question of what criteria are given to the personnel responsible for verifying that corrective action is of a sufficient level as to assure that a deficiency is isolated and no other deficiencies exist. In this area of the inspection one nonconformance was identified (see B. above).

2. Procurement Document Control - The inspector reviewed Bechtel's procurement document control system to assure that: (1) procurement documents include scope of work, technical requirements, material and equipment specifications, procedures and instructions, and all applicable quality requirements; (2) procurement documents require that the supplier have a documented QA program; (3) procurement documents are reviewed by the QA organization and these reviews documented; and (4) changes to procurement documents.

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The inspector reviewed the Bechtel Topical report to assure that it addressed the need to establish procurement document control measures. The Midland Project QA Manual was reviewed to assure that these procurement document control elements listed addressed by organizational procedures for those involved in the execution of procurement activities. To assure proper implementation of procedural commitments the inspector reviewed five material requistion packages, and two purchase order packages and all of their associated documents. In this area of the inspection no nonconformances were identified.

 <u>Drawing Control (Allegation)</u> - NRC Region III requested an inspection of drawing control in the Bechtel Ann Arbor geotechnical group based on an allegation pertaining to the Midland project.

Procedures and instructions, 25 drawings and sketches, and other documents relative to drawings and their control were reviewed.

The geotechnical group is a service organization within Bechtel. They issue no final design documents, but provide personnel and input information to Bechtel's licensing and engineering groups.

The geotechnical group is part of Bechtel's Hydro and Community Facilities organization whose headquarters is located in San Francisco. As such, the Ann Arbor office treats the geotechnical group similar to an outside service organization.

The geotechnical group provides engineering (principally civil) with calculations and sketches that are used in various designs and analyses. Licensing is provided various tables and figures of geologic and soils characteristics for the SAR. The review of numerous geotechnical documents disclosed no nonconformances relative to safety-related activities; however, three sketches (drawings) were identified that were not being processed properly, substantiating the allegation. The three sketches, two of which were preliminary revisions, were not designated as safety-related.

Three QA management audits (conducted in 1982-1983) of the geotechnical group were reviewed. These audits concentrated on calculations primarily and their control. Drawings were not included in any of these audits. As a result of our findings, QA management committed to immediately initiate an audit of the geotechnical group's

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document control activities with specific emphasis on drawing control. The results of this audit will be examined during our next inspection and further inspection in the geotechnical group will be conducted if the Bechtel audit results indicate.

Numerous civil engineering drawings utilizing geotechnical inputs were reviewed for proper processing. All documents reviewed were processed in complete accord with project and division procedures.

No nonconformances or unresolved items were identified in this area of the inspection. As stated previously, the results of Bechtel's audit of the geotechnical group will dictate the need for further inspection in this area.

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THE FOLLOWING WILL BE RELEASED TO THE MEDIA AND IS FOR YOUR INFORMA-TION. PLEASE POST IN YOUR REGION AND DISTRICT FACILITIES FOR EMPLOYEES TO READ AND SEND COPIES TO PLANTS IN YOUR AREA FOR POSTING.

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JACKSON, MICH., JULY 16, 1984 -- CONSUMERS POWER COMPANY OFFICIALS TODAY ANNOUNCED THE SHUTDOWN OF THE MIDLAND NUCLEAR PROJECT.

JOHN D. SELBY, CHAIRMAN OF THE BOARD, SAID THAT THE COMPANY HAD FAILED TO REACH AN AGREEMENT WITH ABATE, THE ASSOCIATION OF MAJOR INDUSTRIAL COMPANIES. BY TODAY'S DEADLINE. SUCH AN AGREEMENT WAS ESSENTIAL TO CONTINUATION OF THE PROJECT.

AFTER BEING INFORMED OF ABATE'S DECISION THIS AFTERNOON, THE COMPANY'S BOARD OF DIRECTORS VOTED THE SHUTDOWN. SELBY SAID THAT THE BOARD WAS MOST RELUCTANT TO TAKE THIS ACTION BECAUSE OF THE GREAT HARDSHIP IT WILL CAUSE IMMEDIATELY TO THE THOUSANDS OF PEOPLE EMPLOYED ON THE PROJECT AND BECAUSE OF THE NEGATIVE IMPLICATIONS FOR THE STATE'S FUTURE BUSINESS CLIMATE WHICH WILL IMPACT ON FUTURE

SELBY SAID THAT THE ORDERLY SHUTDOWN OF CONSTRUCTION STARTED THO WEEKS AGD WILL BE ACCELERATED IMMEDIATELY AND THE WORK FORCE AT THE SITE WILL DE REDUCED BY 75 PERCENT WITHIN THE NEXT FEW WEEKS. AFTER THAT, WORKERS WILL BE RELEASED AS RAPIDLY AS POSSIBLE TO BRING THE FORCE ON SITE DOWN TO THE MINIMUM NEEDED FOR CARETAKER

"WE'RE ENORMOUSLY DISAPPOINTED THAT WE WERE UNABLE TO REACH AGREE-MENT ON A PROPOSAL DEVELOPED BY THE COMPANY AND SUPPORTED BY THE PUBLIC SERVICE COMMISSION STAFF TO FINISH AT LEAST ONE UNIT AT MIDLAND, " SAID SELBY.

"THIS IS A TRAGIC DAY FOR MICHIGAN, " SELBY CONTINUED. "MIDLAND IS BADLY NEEDED TO POWER US INTO THE 21ST CENTURY. I FEAR FOR THE STATE'S FUTURE WITHOUT IT."

07/17/84 08:56 MSG CENTER PARM ND. 004 003 SELBY SAID HE IS PROUD OF THE MANY AND WOMEN WHO HAVE WORKED SO DILIGENTLY TO TRY TO COMPLETE THE MIDLAND PLANT. THE COMPANY WILL ASSIST ITS EMPLOYEES WHO ARE LAID OFF IN THEIR SEARCH FOR OTHER EMPLOYMENT.

ABOUT 6,300 PEOPLE ON AND OFF THE SITE WILL BE DIRECTLY AFFECTED BY THE SHUTDOWN, SELBY SAID.

THERE WERE 5,400 WORKERS ON SITE. INCLUDED WERE: 1.550 CRAFT EMPLOYEES WHO WORK FOR VARIOUS CONTRACTORS, 3.000 NON-MANUAL WORKERS EMPLOYED BY CONTRACTORS AND 850 CONSUMERS POWER EMPLOY-EES. ANOTHER 300 CONSUMERS POWER EMPLOYEES IN JACKSON AND 600 BECHTEL PERSONNEL IN THE FIRM'S ANN ARBOR OFFICE WORKED DIRECTLY ON THE MIDLAND PROJECT.

THE COMPANY WILL MAKE THE NECESSARY FILINGS WITH THE MICHIGAN PUBLIC SERVICE COMMISSION SOON FOR RECOVERY OF ITS INVESTMENT IN THE MIDLAND PLANT, SELBY SAID.

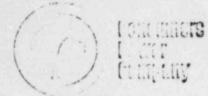
THE COMPANY IS ALSO CURRENTLY STUDYING THE IMPLICATION OF THE PROJECT'S SHUTDOWN IN REGARD TO THE CURRENT RATE CASE PENDING BEFORE THE PUBLIC SERVICE COMMISSION. NO DECISION HAS BEEN MADE AT THIS TIME AS TO A FILING DATE, SELBY SAID, BUT THE COMPANY WILL ASK FOR AN EXPEDITED DECISION.

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M & KOSCHIK/J B TAYLOR END TU JPM

CC: OFFICERS DO MANAGERS, DIRECTORS REGION GENERAL MANAGERS REGION MARKETING SUPERINTENDENTS DISTRICT MANAGERS PUBLIC AFFAIRS SENIOR STAFF



J A Mooney Executive Manager Midland Project Office

General Offices: 1945 West Parnall Road, Jackson, MI 49201 • (517) 788-0774

August 6, 1984

Mr J J Harrison, Chief Midland Project Section U S Nuclear Regulatory Commission Region III 799 Roosevelt Road Glen Ellyn, IL 60137

MIDLAND ENERGY CENTER MIDLAND DOCKET NOS 50-329, 50-330 SOILS WORK SHUTDOWN FILE 0485.16, 1300 Serial: CSC-8003

REFERENCE: 1) JAMooney to JJHarrison letter, Serial CSC-7997, Dated 7/26/84. 2) JAMooney to JJHarrison letter, Serial CSC-7809, Dated 5/25/84.

In accordance with recent discussions between NRC Region III staff and CPCo staff, following the July 16, 1984 decision to suspend construction at the Midland Energy Center, the following list summarizes monitoring activities planned during the shutdown period.

- Optical surveys will continue on the Service Water Pump Structure, Auxiliary building, Borated Water Storage Tanks, and Diesel Generator Building. These surveys will be conducted every six months.
- CPCo will complete an in-process crack survey of the Diesel Generator Building.
- 3. No further work is planned on the Borated Water Storage Tanks at this time. Filling will not be permitted unless construction resumes at some later date and the foundations are completed. (Most of the remedial foundation is presently complete)
- A modified program for monitoring support rod tension in the feedwater isolation valve pits will continue.'
- 5. Any applicable settlement limits on the building structures that are exceeded will be reported to NRC Region III staff.
- 6. No periodic monitoring activity is planned for the temporary prestressing tendons in the Auxiliary Building Control Tower and SWPS.

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- 7. Pier jacking activity in the Auxiliary Building will be initiated as required.
- 8. No periodic monitoring activity is planned for the underground yard piping during the shutdown phase.
- 9. The Auxiliary Building deep-seated benchmarks will be monitored with the existing instrumentation at a reduced frequency. This frequency will be twice weekly until period of stability is determined, then weekly until a period of stability is determined, bi-monthly thereafter.

Only plots for the following  $\Delta$  values will be continued:

-  $\Delta_1$  - DSB-3E (Control Tower) -  $\Delta_1$  - DSB-3W (Control Tower) -  $\Delta_2$  - DSB-2W (West E.P.A.) -  $\Delta_2^2$  - DSB-2E (East E.P.A.)

- 10. The Auxiliary Building extensometers will be read manually and recorded on a three month interval.
- 11. The DSB's and extensometers on the SWPS will be read and recorded on a three month interval.

We request NRC concurrence on the proposed  $\Delta$  values in Section 4 of our May 25, 1984 referenced letter. If you have questions on these issues, please contact RHWieland at (517) 839-6757.

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JAM/RHW/klw

CC Administrator, Region III DSHood, NRR Project Manager, Washington Midland Project Manager, Region III Midland Resident Inspector, Midland CONSUMERS POWER COMPANY Midland Units 1 and 2 Docket No 50-329/50-330

### Letter Serial CSC-8003 Dated August 6, 1984

At the request of the Commission and pursuant to the Atomic Energy Act of 1954, and the Energy Reorganization Act of 1974, as amended and the Commission's Rules and Regulations thereunder, Consumers Power Company submits Soils Work Shutdown.

CONSUMERS POWER COMPANY

Amooney J A Mooney By\_ Executive Manager

Sworn and subscribed before me this 10th day of <u>August</u>, 1984.

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Bay County

My Commission Expires 3-4-96